



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Carlos Jackson
Executive Director

August 8, 2006

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**AMENDMENT NO. 1 TO CONSTRUCTION CONTRACT FOR SEISMIC RETROFIT
PROJECT AT THE 91ST STREET FAMILY HOUSING DEVELOPMENT (2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that Amendment No. 1 to the Construction Contract between the Housing Authority and M.L. Construction, Inc., for the seismic retrofit of the 91st Street family housing development, located at 1109 West 91st Street, in unincorporated Los Angeles County, is exempt from the California Environmental Quality Act (CEQA), as described herein, because the additional work involved includes activities that will not have the potential for causing a significant effect on the environment.
2. Approve and authorize the Executive Director of the Housing Authority to execute Amendment No. 1 to the Construction Contract between the Housing Authority and M.L. Construction, Inc., and all related documents, to increase the compensation amount by \$100,000, from \$262,100 to \$362,100, to provide additional scope of work required to abate mold discovered during the seismic retrofit improvements.
3. Authorize the Executive Director to use a total of \$100,000 in Capital Fund Program funds allocated by the U.S. Department of Housing and Urban Development (HUD), for the purpose described above.
4. Authorize the Executive Director to approve an increase in contingency funds of up to \$20,000 for unforeseen project costs associated with the



mold abatement, from \$65,525 to \$85,525 using Capital Fund Program funds.

5. Authorize the Executive Director to incorporate up to \$120,000 in Capital Fund Program Funds into the Fiscal Year 2006-2007 Capital budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to amend the Construction Contract with M.L. Construction, Inc., to provide additional scope of work due to the discovery of mold during the retrofit improvements of the West 91st Street family housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the additional work with \$100,000 in Capital Fund Program funds allocated by HUD, which will increase the contract amount from \$262,100 to \$362,100.

A 20 percent contingency, in the amount of \$20,000, is also being set aside for unforeseen costs related to the additional work, using Capital Fund Program funds, which will increase the total contingency amount from \$65,525 to \$85,525.

Up to \$120,000 in Capital Fund Program Funds will be incorporated into the Fiscal Year 2006-2007 Capital budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The West 91st Street family housing development consists of a total of eight two-bedroom public housing units, in one two-story building. On October 11, 2005, your Board approved the award of a Construction Contract to M.L. Construction, Inc., to complete the following improvements in all units: seismically retrofit the building, replace the existing intercom box, and replace the stair covers at the development.

During the seismic retrofit work on the first floor, mold was discovered in the three bathrooms and abated under the existing contract. After several attempts by an environmental consultant to obtain the proper air clearance from the mold remediation on the first floor failed, the consultant determined that the five second-floor bathrooms also contained mold.

Amendment No. 1 to the Construction Contract will provide additional funding for the needed mold abatement in the five second-floor bathrooms, including: the removal and replacement of drywall; painting; replacement of flooring; and the installation of new bathroom plumbing and fixtures. M.L. Construction, Inc. will subcontract the mold abatement work to All County Mold Abatement.

This additional work was not included in the original scope of work. It is anticipated that the mold abatement-related work will be completed within 120 calendar days following the Notice to Proceed.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, M.L. Construction will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

Amendment No. 1 to the Construction Contract has been approved as to form by County Counsel and executed by M.L. Construction. At its meeting of July 26, 2006, the Housing Commission recommended approval of this action.

ENVIRONMENTAL DOCUMENTATION:

The additional work included in Amendment No. 1 to the Construction Contract is excluded from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations Part 58 (a)(3)(ii) because it involves activities that will not alter existing environmental conditions. The work is exempt from CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

The environmental review record for this project is available for viewing by the public during regular business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

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IMPACT ON CURRENT PROJECT:

Amendment No.1 to the Construction Contract will provide for needed mold mitigation and enable M.L. Construction to meet the development and construction schedule for the ongoing project.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1